

Half Of Federal Debt Reported As Owned By Nonbank Public

Growing concern over the steady increase in the public debt, which is now crowding the legal limit of \$275 billions, has focused increasing attention on its distribution and on the extent that it is being financed out of the savings of individuals and other investors to help offset the inflationary effects of deficit financing.

Here is how the ownership of the Federal debt broke down at the end of 1953:

Individuals, institutions and other nonbank investors—\$137.4 billions or 49.9 per cent of the total.

The banking system (commercial and Federal Reserve banks)—\$89.5 billions or 32.5 per cent of the total.

U. S. Government investment accounts—\$48.3 billions or 17.6 per cent of the total.

Cornerstone of Debt Policy

These proportions have shown a high degree of stability for several years. The widest possible ownership of Federal securities by individuals and the nonbank public in general outside the commercial banking system has been a cornerstone of Federal debt management policies ever since the debt began to skyrocket during World War II.

The figures show that the public debt at the end of last December added up to just over \$275 billions, the present legal top, but some \$500 millions of the total were not subject to limitation. The current public debt is some \$275 billions. The post-World War II low point was approximately \$252 billions in 1948. Thus the public debt has increased some \$20 billions in the last five years, indicating the extent the Federal establishment lived beyond its income in the period.

The nonbank public has owned about half the public debt for a number of years. Close to half the nonbank aggregate is owned by individuals, and U. S. Savings Bonds represent the dominant part of these holdings.

Trend of Bank Holdings

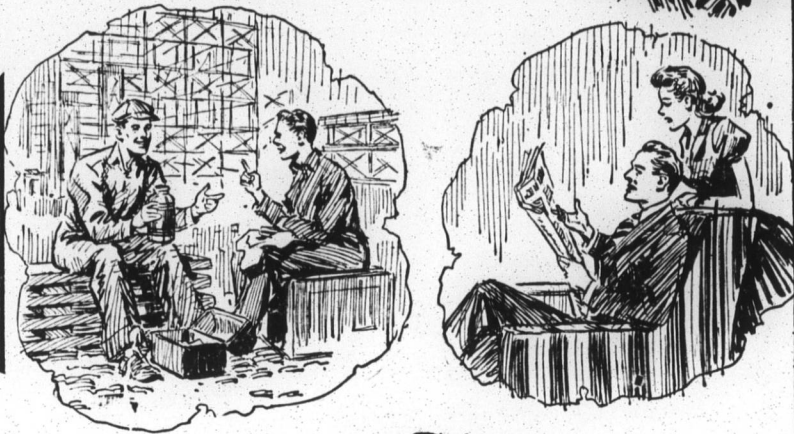
Ownership of Federal securities by the banking system also has been quite stable during the period since the end of World War II. The proportion has run around a third of the total during these years. This ratio considerably lower than it was during the war itself when commercial banks owned more than two-fifths of the public debt, thus contributing to the growth of inflationary pressures.

With Government trust accounts in the Social Security System consistently taking in more in taxes from the public than they have been paying out, their ownership of the public debt has been growing steadily and is now at a new high. Government trust accounts today own more Federal securities

OUR DEMOCRACY — by Mat

The sober second thought of the community is the firm base on which all law must ultimately rest.

—HARLAN F. STONE—CHIEF JUSTICE OF THE UNITED STATES, 1941-1946



NOT ONLY JURISTS AND STATESMEN, BUT PEOPLE IN ALL WALKS OF LIFE REALIZE THAT OUR DEMOCRACY'S STRENGTH COMES FROM THE VARIETY OF VIEWS, IDEAS, AND BACKGROUNDS THEY REPRESENT—WITH FINAL DECISIONS HAMMERED OUT ON THE ANVIL OF PUBLIC OPINION.

Genius, that power which dazzles mortal eyes, is oft but perseverance in disguise. —Henry Willard Austin.

Woman In Lineup For Sluggers' Games

Edenton Sluggers, local colored baseball team, will play games Saturday night at 8:30 o'clock and Sunday afternoon at 2:45 o'clock on Hicks Field. Crossing bats with the Sluggers in both games will be the Durham Rams, who will feature Minnie Ruth as star second baseman for the visitors. Miss Ruth formerly played with the Indianapolis Clowns and is North Carolina's first woman player. The Rams are considered one of Eastern North Carolina's best baseball clubs and with the added feature of having a woman in the lineup will no doubt attract a large crowd of fans.

The Sluggers easily defeated the Claremont Circle Socks of Claremont, Va., on Hicks Field Sunday afternoon by a score of 18-3. Lawrence Collins went the route on the mound for the Sluggers, allowing only three scattered hits. James Holley led the Sluggers with five hits out of five times at bat.

Drought Is Hurting Tobacco Production

Based upon July 1 yield and condition reports from farmers, the North Carolina Crop Reporting Service has forecast 1954 flue-cured tobacco production in the Tar Heel State at 843,300,000 pounds. Such a crop would be about 11 million pounds heavier than last year's crop, when total production was 832 million pounds. Acreage increases over last year, coupled with a potentially better crop in Type 11 areas, account for the slight increase in prospective production.

The Service further pointed out that moderate to severe drought conditions, particularly in many localities of the Eastern and Border Belts, have cut potential yields sharply. Dry weather has hurt the crop to some extent in the Old and Middle Belts but comparatively less severely than in the other areas.

COMFORT AT WORK



Comfortable clothes make all the difference when there's work to be done. A case in point are these cotton herringbone twill pants and lightweight matching shirt. They will never shrink out of their easy, comfortable fit, even after countless washings because they are Sanforized. Reverse pleats on the trousers give extra wearing comfort.

A Sour Note

"Why did you stop singing in the choir, Thomas?"
"Well, one Sunday I was sick and didn't sing, and a lot of people in the congregation asked if the organ had been fixed."

Ground Breaking Service At Ballard's Bridge Next Sunday

On Sunday, July 18, special ground breaking services for the new parsonage will be held at Ballard's Bridge Baptist Church.

Regular morning services will be held with dinner on the grounds and an afternoon singing service.

The public is invited to attend.

LOW CORN CROP

On the basis of condition reports from growers, as of July 1, production from the current Tar Heel corn crop is forecast at 55,562,000 bushels. This is the lowest production of corn in the State since 1945 when 55,100,000 bushels were produced. A 1954 corn crop of 55,562,000 bushels would be 2,137,000 bushels or 3.7 per cent less than the drought-stricken crop of 57,699,000 bushels last year.

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That is the only wealth forever yours. —Martial.

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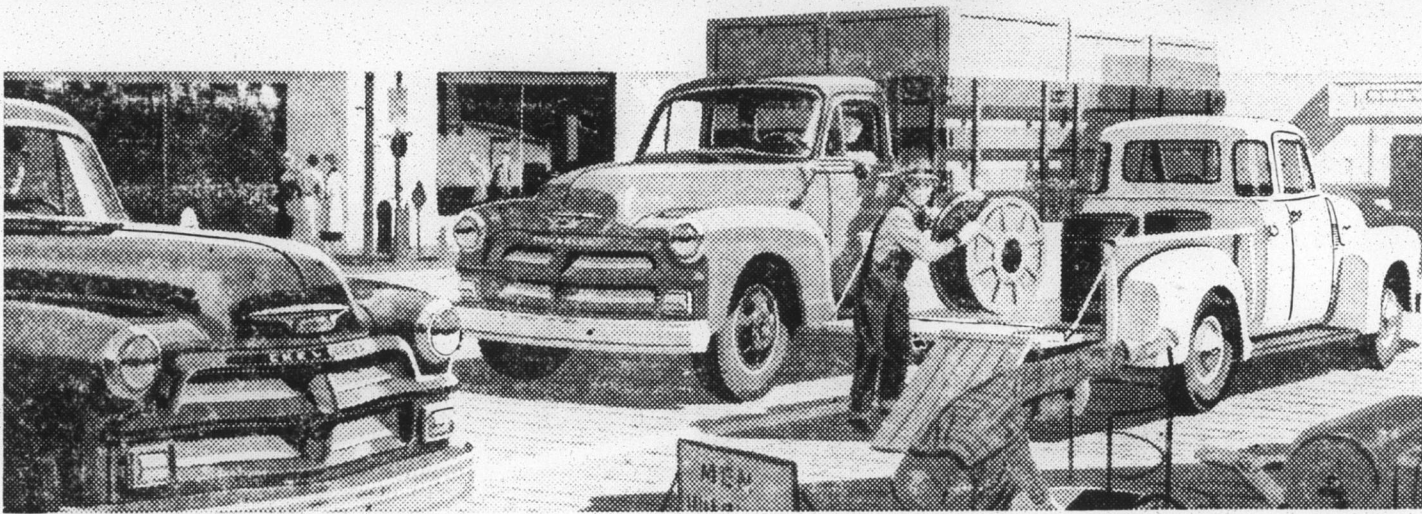
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